

TO: Agency Directors and Centralized Services Administrators

FROM: Judy Martz, Governor

DATE: June 28, 2002

RE: **Implementation of Agency Budget Reductions for FY 2003**

In accordance with 17-7-140(1)(b), MCA, I am directing state agencies to manage their budgets in order to reduce general fund expenditures. At the same time, I am gratefully accepting the voluntary reduction plans submitted by the legislative and judicial branches of government, as well as the general fund transfers being put forward by executive branch agencies.

The spending reductions will total \$23.25 million and the fund transfers will total \$14.60 million. I very much appreciate the great thought and care that the OBPP staff, agency directors, and so many state employees and citizens invested in developing this reduction plan.

You already have received a preliminary letter from Budget Director Chuck Swysgood regarding the transaction details to implement the FY 2003 agency budget reductions, which I am implementing effective immediately. Appropriations will be reduced by the amounts shown on the schedule. Our reduction plan will be on the OBPP web site later today and additional information will be forthcoming regarding the continuing decline in revenues and how we will address that.